

# **MAQUASSI HILLS LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2005**

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**BALANCE SHEET AS AT 30 JUNE 2005**

	Note	2004/2005 R	2003/2004 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		17,105,336	16,828,689
Statutory funds	1	17,105,336	16,674,090
Reserves	2a	0	154,599
RETAINED INCOME	16	13,138,240	7,041,792
TRUST FUNDS	2	3,165,571	4,200,595
DEVELOPMENT SUSPENSE ACCOUNT	28	771,293	
LONG-TERM LIABILITIES	3	1,148,610	1,331,923
CONSUMER DEPOSITS: SERVICES	4	884,876	809,059
		<u>36,213,928</u>	<u>30,212,057</u>
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	5	2,563,785	3,089,084
INVESTMENTS	6	33,246	46,716
LONG-TERM DEBTORS	7	741,027	765,147
NET CURRENT ASSETS		32,875,870	27,108,798
CURRENT ASSETS		55,171,067	45,941,629
Biological assets			
- Livestock - immature	27	0	270,300
- Livestock - mature	27	0	179,300
Debtors	9	47,792,141	38,703,004
Inventory	8	426,325	476,085
Short-term investments	6	6,768,333	5,687,244
Long-term debtors: Short-term portion	7	16,431	21,001
Cash		167,836	604,695
CURRENT LIABILITIES		22,295,196	18,832,831
Provisions	10	1,108,679	1,412,804
Creditors	11	19,262,101	16,000,105
Long term liabilities : Short-term portion	3	183,226	296,980
Bank overdraft		1,741,190	1,122,942
		<u>36,213,928</u>	<u>31,009,744</u>

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005**

2003/2004 Actual Income R	2003/2004 Actual Expenditure R	2003/2004 Surplus/ Deficit R		2004/2005 Actual Income R	2004/2005 Actual Expenditure R	2004/2005 Surplus/ Deficit R	2004/2005 Budget Surplus/(Deficit) R
<b>RATES AND GENERAL SERVICES</b>							
21,776,836	16,035,258	5,741,578	Community services	16,199,123	20,364,845	-4,165,722	-8,978,410
294,508	2,181,912	(1,887,403)	Subsidised services	188,806	2,566,111	(2,377,305)	(2,866,585)
10,876,013	8,431,593	2,444,420	Economic services	17,589,617	8,986,040	8,603,577	7,430,570
2,486	-	2,486	<b>HOUSING SERVICES</b>	2,347	-	2,347	-
22,020,706	23,581,614	-1,560,908	<b>TRADING SERVICES</b>	27,301,398	24,679,841	2,621,557	4,554,864
<u>54,970,549</u>	<u>50,230,377</u>	<u>4,740,172</u>	<b>TOTAL</b>	<u>61,281,292</u>	<u>56,596,837</u>	<u>4,684,454</u>	<u>140,439</u>
		(1,007,588)	Appropriations for the year (refer to note 16)			1,411,994	
		3,732,584	Net Surplus/(Deficit) for the year			6,096,449	
		3,309,208	Accumulated surplus beginning of the year			7,041,792	
		<u>7,041,792</u>	<b>ACCUMULATED SURPLUS END OF THE YEAR</b>			<u>13,138,240</u>	

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2004/2005	2003/2004 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		#REF!	9,774,387
Cash generated by operations	17	1,968,446	(5,798,471)
Investment income	15	406,818	383,951
(Increase)/decrease in working capital	18	(5,672,874)	(6,827,158)
		(3,297,609)	(12,241,678)
Less: External interest paid		(261,778)	(203,393)
<b>Cash utilised from operations</b>		(3,559,387)	(12,445,071)
Cash contributions from public and the State		16,711,052	22,219,457
Special contribution from state : retrenchment/valuation		#REF!	-
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets	App "C"	(12,676,431)	(4,557,975)
<b>NET CASH FLOW</b>		#REF!	5,216,412
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
(Decrease)/increase in long-term loans	19	(297,066)	(2,634)
(Increase)/decrease in cash investments	20	(1,067,620)	(2,562,672)
(Increase)/decrease in cash	21	1,055,106	-2,651,107
<b>Net cash (generated)/utilised</b>		(309,580)	(5,216,412)

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	2004/2005 R	2003/2004 R
<b>1. Statutory funds</b>		
Capital Development Fund	11,620,596	11,437,868
Land trust fund	4,817,609	4,569,092
Housing Development Fund	667,131	667,131
Development suspense account	-	0
(Refer to appendix "A" for more details)	<u>17,105,336</u>	<u>16,674,090</u>
<b>2. Trust funds</b>		
System grant R1,9 million	520,983	702,583
Library grant Social services	147,146	68,889
National Treasury Fund	116,746	799,748
Municipal System Improvement Grant	3,152	58,493
MSP Grant	1,037,760	2,260,628
LG Supporting Grant	234,413	206,415
Tsweleng LED Buildings	25,044	1,401
Lebaleng 556 RDP Housing	33,415	33,415
Upgrade Computer System	27,518	12,463
Pre-paid Water Meters	34,626	56,558
Project Management Unit	526,770	-
Vehicle Maintenance Fund	354,595	-
Boskuil Electricity	54,224	-
New Office Buildings	49,179	-
(Refer to appendix "A" for more details)	<u>3,165,571</u>	<u>4,200,595</u>
<b>2a. Reserves</b>		
Retrenchment fund	-	154,599
(Refer to appendix "A" for more details)	<u>-</u>	<u>154,599</u>
<b>3. Long-term Liabilities</b>		
Annuity loans	1,331,837	1,628,903
Less: Short term portion transferred to current liabilities	183,226	296,980
	<u>1,148,610</u>	<u>1,331,923</u>
(Refer to appendix "B" for more detail on long-term liabilities)		
ANNUITY LOANS		
Loans bear interest at rates of between 9.25% and 16.12% per annum and should be fully redeemed over 10 to 15 years.		
<b>4. Consumer Deposits</b>		
Electricity and water		
Balance at the beginning of the year	809,059	691,672
Net of new deposits	75,818	117,387
Balance at the end of the year	<u>884,876</u>	<u>809,059</u>
<b>5. Fixed Assets</b>		
Fixed Assets at the beginning of the year	92,868,822	90,126,301
Capital expenditure during the year	12,676,431	4,557,975
Less: Fixed Assets written off, transferred or sold	-195,380	-1,815,454
<b>Total fixed assets</b>	<u>105,349,873</u>	<u>92,868,822</u>
Less: Loans redeemed and other capital receipts	<u>(102,786,088)</u>	<u>(89,779,738)</u>
<b>Net fixed assets</b>	<u>2,563,785</u>	<u>3,089,084</u>
(Refer to Appendix C and section 2 of the Treasurer's Report for more detail on fixed assets)		

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	2004/2005 R	2003/2004 R
<b>6. Investments</b>		
Unlisted investments		
7.1 Long term deposits - collateral	33,246	46,716
	6,768,333	5,687,244
7.2 Short term deposits	6,730,491	5,648,821
7.2 Unlisted shares (21 994 shares @ R1 each)	37,843	38,422
	6,801,580	5,733,960
Management's valuation of unlisted investments	6,801,580	5,733,960
Average gross rate of return on investments	7.58%	9,26%
Circular no 25 issued by the Provincial Legislature requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investments at a penalty rate to meet commitments. Investments written off during the year: Standard Bank money market February 2005 R254 619 Absa moneymarket May 2005 R204 126		
<b>7. Long term debtors</b>		
Motor and other loans	757,458	786,148
	757,458	786,148
Less: Short-term portion transferred to current debtors	16,431	21,001
	741,027	765,147
<b>8. Inventory</b>		
Inventory	426,325	476,085
Less: Provision for obsolete stock	-	-
	426,325	476,085
<b>9. Debtors</b>		
Consumer debtors	61,440,993	62,345,262
Other debtors	2,993,246	2,918,916
Sundry debtors	292,283	171,591
	64,726,522	65,435,770
Less: Provision for bad debts	(17,365,650)	(26,983,974)
Plus: Payments in advance from consumers	431,270	251,208
	47,792,141	38,703,004
Ageing of debtors		
Current	2,335,380	2,735,881
30 days plus	1,386,504	1,907,898
60 days plus	58,488,704	60,619,212
<b>TOTAL</b>	62,210,588	65,262,991
Bad debts written off during the year: Indigents and other R15 027 555.28 (2004: 0) Days outstanding in debtors amount to 449 days (2004: 799)		

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	2004/2005 R	2003/2004 R
<b>10. Provisions</b>		
Leave provision	1,108,679	1,412,804
	<u>1,108,679</u>	<u>1,412,804</u>

An amount equal to 55% of the actual monetary value of all employees leave accrued at 30 June 2005, are accounted for. Council will determine the adequacy of the leave provision to be at 100% of the actual monetary value in future financial years.

**11. Creditors**

Trade creditors	11,376,044	7,775,097
Suspense creditors	7,451,456	7,960,077
Deposits : other	3,331	13,592
Amounts received in advance	431,270	251,208
	<u>19,262,101</u>	<u>15,999,974</u>

**12. Assessment Rates**

	Land Valuation on 1996/07/01	Actual Income 2004/2005	Actual Income 2003/2004
Residential and commercial	16,010,000	7,722,675	6,375,861
Taxable property	20,245,126		
Non - taxable property	2,090,180		

Valuations on land are performed every three years and the last general valuation came into effect on 01 July 1996. A new valuation roll will be implemented during year. (2005/2006)

See App F. for the basic rate charged

A rebate of 20% was granted to all Government Properties according to Council's Tariff Policy

**13. Councillors' Remuneration**

Mayor's allowance	169,674	271,852
Speaker's allowance	135,730	204,027
Councillor's allowance	421,564	674,804
Executive committee allowances	254,510	420,584
Travelling Allowance	245,369	
Personal Allowance	44,280	
Phone Allowance	130,500	
Housing Allowance	144,668	
Medical Aid	61,662	
Pension Fund	145,313	
	<u>1,753,271</u>	<u>1,571,267</u>

The mayor form part of the Executive committee, but her allowance is disclosed seperately.

Councillor allowances (2005) are being disclosed in accordance to section 124(1)9a) of the MFMA

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	2004/2005 R	2003/2004 R
In accordance to section 124 of the Municipal Finance Management Act the following councillors were outstanding with the payment of consumer serviced at 30 June 2005		
Arrangements were made for these accounts to be settled by 30 September 2005		
<b>Councillor</b>	<b>Account</b>	
	<b>Amount</b>	<b>Settlement date</b>
DS Moshoele		
108517381	1,446.47	31-Jul-05
DS Moshoele		
108517381	1,278.64	30-Sep-05
M Mokhatsi		
308001241	434.08	31-Jul-05
<b>14. Auditors' Remuneration</b>		
Audit fees	<u>267,062</u>	<u>374,729</u>
<b>15. Finance transactions</b>		
Total external interest earned or paid		
Interest earned	406,818	383,951
Interest paid	<u>261,778</u>	<u>203,393</u>
Capital charges debited to operating account		
Interest: External	261,778	203,393
Interest: Internal	160,953	188,140
Redemption: External	159,505	2,634
Redemption: Internal	228,233	262,908
	<u>810,469</u>	<u>657,075</u>
<b>16. Appropriations</b>		
<b>Appropriation account</b>		
Accumulated surplus at the beginning of the year	7,041,791.62	3,309,208
Surplus for the year	4,684,454	4,740,172
Appropriations for the year	1,411,994	(1,007,588)
Current year adjustments	-	-
Prior year adjustments	<u>1,411,994</u>	<u>(1,007,588)</u>
Accumulated surplus: end of the year	<u>13,138,240</u>	<u>7,041,792</u>
<b>PRIOR YEAR ADJUSTMENTS</b>		
Traffic expenditure not to book		
External loans interest paid		
Health Subsidies of 2004 received		
Incorrect levies charged on debtors		
<b>Operating account</b>		
Fixed assets	1,250	50,597
Contributions to:	5,454,228	6,715,200
- Leave fund	45,000	40,000
- Bad debts	<u>5,409,228</u>	<u>6,675,200</u>
	<u>5,455,478</u>	<u>13,430,400</u>



**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	2004/2005 R	2003/2004 R
<b>17. Cash generated by operations:</b>		
Surplus for the year	4,684,454	4,740,172
Adjustments in respect of previous years	1,411,994	(1,007,588)
Special contribution to bad debts provision	-	-
Appropriations charged against income	3,583,253	18,636,328
Statutory funds	3,582,003	11,870,531
Provisions and reserves		6,715,200
Contributions to fixed assets	1,250	50,597
Capital charges	810,469	657,075
Interest paid	422,731	391,533
Internal Funds	160,953	188,140
External loans	261,778	203,393
Redemption paid	387,738	265,542
Redemption: Internal	228,233	262,908
Redemption: External	159,505	2,634
Grants and subsidies received from the State	(16,711,052)	(11,797,901)
Non operating expenditure/income	-	592,921
Cattle revaluation	-	(74,210)
Housing funds	-	667,131
Non operating expenditure	(4,485,855)	(16,004,946)
Adjustments on internal loans (CDF)	12,675,181	(1,614,531)
	<u>1,968,446</u>	<u>(5,798,471)</u>
<b>18. (Increase)/Decrease in Working Capital</b>		
(Increase)/Decrease in debtors	-9,060,447	(13,754,718)
Increase/(Decrease) in creditors	3,261,996	6,939,099
(Increase)/Decrease in inventory	49,760	(128,926)
Increase/(Decrease) in consumer deposits	75,818	117,387
	<u>(5,672,874)</u>	<u>(6,827,158)</u>
<b>19. Increase/(Decrease) in Long-term Loans (External)</b>		
Loans repaid	(297,066)	(2,634)
	<u>(297,066)</u>	<u>(2,634)</u>
<b>20. (Increase)/Decrease in External Cash Investments</b>		
Investments made	(1,067,620)	(2,562,672)
Investments realised	-	-
	<u>(1,067,620)</u>	<u>(2,562,672)</u>
<b>21. (Increase)/Decrease in Cash on Hand</b>		
Bank balance: beginning of the year	(518,248)	(3,169,354)
Less: Cash balance/(overdraft): end of the year	(1,573,354)	(518,248)
	<u>1,055,106</u>	<u>(2,651,106)</u>

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

**22. Retirement Benefits**

Maquassi Hills Local Municipality and its employees contribute to various municipal pension funds and the councillors pension fund.

<u>Fund</u>	<u>Valuation date</u>	<u>Surplus/Deficit</u>
Municipal Employees Pension Fund	2003/02/28	Surplus
Municipal Gratuity Fund	2003/06/30	Deficit
SALA Pension Fund	2002/07/01	Deficit
Joint Municipal Pension Fund	2003/06/30	Deficit
NFMW Retirement Fund	2004/12/31	Deficit

At time of the compilation of our statements the most recent information was not yet available

**23. Contingent liabilities**

There is a court case with a debt collection company and there is a potential liability of R5,3 million. Date set for this case is October 2006

**24. Capital commitments**

Approved and contracted for		
Debtback - until 30 Jul 2006	741,000	
*Traffic Management Technologies - until 31 January 2006		
Approved and not yet contracted for	0	-
	<u>741,000</u>	<u>-</u>

\* Based on payment success rate in accordance to service level agreement

**25. Capital development fund**

<i>Outstanding advances to borrowing services</i>		
Accumulated fund	11,620,596	11,437,867.94
Less: External investments	10,388,269	9,992,509
(Refer to appendices A and B for more detail)	<u>1,232,327</u>	<u>1,445,359</u>

**26. Land trust fund**

<i>Outstanding advances to borrowing services</i>		
Accumulated fund	4,817,609	4,569,092
Less: External investments	4,713,742	4,450,023
(Refer to annexure A and B for more detail)	<u>103,867</u>	<u>119,069</u>

**27. Biological assets**

Maquassi Hills Local is engaged in the farming of cattle for supply of meat. At the 30 June 2004 the municipality held 84 cows and 4 bulls (mature assets) and 90 calves (immature assets).

**Reconciliation of carrying amounts of livestock**

Carrying amounts at beginning of year	449,600	375,390
Gains arising from changes in fair value attributable to physical changes	-	207,950
Loss arising from changes in fair value attributable to price changes	(212,355)	-
Decreases due to sales	(237,245)	(133,740)
<b>Carrying amounts at 30 June 2004</b>	<u>0</u>	<u>449,600</u>

**28. Development Suspense Account**

Balance	797,687	433,424
Other income	1,944,092	389,763
Operating Expenditure	1,970,486	25,500
	<u>771,293</u>	<u>797,687</u>

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

	2004/2005 R	2003/2004 R
<b>29. Salaries CEO and Snr. Managers</b>		
<b>Chief Executive Officer</b>	788,773	624,183
Salary	310,983.11	297,621
Bonus	194,493.46	78,693
Phone	15,913.08	14,641
Travel	128,777.73	131,014
Merit	46,869	11,392
Pension/Medical Aid/Uif	91,736.32	90,823
<b>Chief Financial Officer</b>	591,486	177,732
Salary	342,603	129,085
Bonus	114,516	
Phone	8,022	3,206
Travel	108,000	45,000
Merit	17,274	
Pension/Medical Aid/Uif	1,071	442
<b>Director: Administration</b>	603,669	485,028
Salary	286,584	253,612
Bonus	113,630	50,138
Phone	4,506	4,178
Travel	147,310	148,417
Merit	33,859	7,108
Pension/Medical Aid/Uif	17,781	21,575
<b>Director: Community Services</b>	566,321	483,428
Salary	272,651	243,973
Bonus	81,711	50,138
Phone	4,506	4,178
Travel	96,302	101,170
Merit	28,432	7,108
Pension/Medical Aid/Uif	82,718	76,862
<b>Personal Assistant</b>	280,732	211,350
Salary	110,443	112,305
Bonus	49,793	13,430
Phone	966	895
Travel	61,990	63,159
Merit	35,790	1,880
Pension/Medical Aid/Uif	21,751	19,680
<b>Director: Engineering Services</b>	608,741	489,563
Salary	287,500	256,994
Bonus	112,353	50,138
Phone	4,506	4,178
Travel	140,833	142,212
Merit	40,208	9,829
Pension/Medical Aid/Uif	23,342	26,212
<b>Salaries CEO and Snr. Managers</b>	3,439,722	2,471,283

**MAQUASSI HILLS LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

**30. Bank account balances**

4055 605 473 ABSA - Operating cheque account	225,827	357,006
4058 047 800 ABSA - Cattle management account	-44	11,644
4061 545 689 ABSA - Traffic Management Technology	485,291	0
4050 989 969 ABSA - Traffic Account	450,991	77,812

Disclosed according MFMA section 125(2)(a)

31. Fruitless expenditure

32. KYK SECTION 124 MFMA

33. Donations received for etc. Inaugurations

**MAQUASSI HILLS LOCAL MUNICIPALITY**

**APPENDIX A  
Statutory Funds, Trust funds and Reserves for the year ended 2005**

	Balance at 2004/06/30	Adjustments	Contributions during the year	Interest on investments	Other income	Operating expenditure during the year	Capital expenditure during the year	Balance at 2005/06/30
	R	R	R	R	R	R	R	R
<b>Statutory Funds</b>								
Capital Development Fund	11,437,868			182,728				11,620,596
Land trust fund	4,569,092			34,007	437,904	223,394		4,817,609
Housing Development Fund	667,131	-						667,131
	<u>16,674,090</u>	<u>-</u>	<u>-</u>	<u>216,735</u>	<u>437,904</u>	<u>223,394</u>	<u>-</u>	<u>17,105,336</u>
<b>Trust Funds</b>								
Lebaleng 556 RDP Housing	33,415							33,415
System grant R1,9 million	702,583			90,787		272,387		520,983
Tsweleng LED Buildings	1,401			311	100,000	1,489	75,178	25,044
Upgrade Computer System	12,463	10,830		4,225				27,518
Library grant	68,889				250,000	69,234	102,509	147,146
National Treasury Grant	799,748			64,578		747,580		116,746
Municipal System Improvement	58,493			1,525		56,866		3,152
MSP Grant	2,260,628	35,782		147,926		1,406,576		1,037,760
LG Supporting Grant	206,415			27,998				234,413
Pre-paid Water Meters	56,558	5,078		4,482		31,492		34,626
Project Management Unit	-				568,937	31,137	11,030	526,770
Vehicle Maintenance Fund	-				386,700	32,105		354,595
Bos kuil electricity	-				1,019,000	964,776		54,224
New Office Buildings	-				200,000		150,821	49,179
	<u>4,200,595</u>	<u>51,690</u>	<u>-</u>	<u>341,832</u>	<u>2,524,637</u>	<u>3,613,644</u>	<u>339,539</u>	<u>3,165,571</u>
<b>Reserves</b>								
Retrenchment fund	154,599			9,204		163,804		-
	<u>154,599</u>	<u>-</u>	<u>-</u>	<u>9,204</u>	<u>-</u>	<u>163,804</u>	<u>-</u>	<u>-</u>
	<u>21,029,284</u>	<u>51,690</u>	<u>-</u>	<u>567,772</u>	<u>2,962,541</u>	<u>4,000,841</u>	<u>339,539</u>	<u>20,270,907</u>

## MAQUASSI HILLS LOCAL MUNICIPALITY

**APPENDIX B**  
**External Loans and Internal Advances for the year ended 2005**

	Balance at 30/06/2004	Adjustments	Received during the year	Redeemed / write off during the year	Balance at 30/06/2005
	R	R	R	R	R
<b>EXTERNAL LOANS</b>					
<b>Annuity loans: Development Bank</b>					
<b>Issued    Loan no.    Redeemable</b>					
1978 @ 10.25%    8            2008	170,854		-	58,305	112,549
1979 @ 11.00%    9            2009	202,348		-	53,605	148,743
1985 @ 13.75%    16           2014	566,639		-	47,674	518,965
1988 @ 13.75%    19           2014	318,313		-	29,182	289,131
1988 @ 16.12%    10           2007	131,321		-	47,306	84,016
1989 @ 15.88%    11           2008	178,762		-	48,490	130,272
1980 @ 9.25%    15           2005	1,569		-	1,569	(0)
1980 @ 9.25%    15           2005	8,191		-	8,191	-
<b>Annuity loans: ABSA</b>					
1999 @ 14.50%                    2013	50,905		-	2,744	48,161
<b>TOTAL EXTERNAL LOANS</b>	<b>1,628,903</b>	<b>-</b>	<b>-</b>	<b>297,066</b>	<b>1,331,837</b>
<b>INTERNAL ADVANCES</b>					
Capital Development Fund	1,445,359		-	213,032	1,232,327
Land Trust Fund	119,069		-	15,201	103,867
<b>TOTAL INTERNAL LOANS</b>	<b>1,564,428</b>	<b>-</b>	<b>-</b>	<b>228,233</b>	<b>1,336,195</b>

**MAQUASSI HILLS LOCAL MUNICIPALITY**

**APPENDIX C  
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 2005**

<b>Expenditure 2004 R</b>		<b>Budgeted 2005 R</b>	<b>Balance 2004 R</b>	<b>Expenditure 2005 R</b>	<b>Written off/ transferred R</b>	<b>Balance 2005 R</b>
4,472,880	<b>Rates and General Services</b>	30,515,872	67,741,031	7,924,919	195,380	75,470,570
2,107,618	Community Services	20,424,642	23,031,924	5,795,521	-	28,827,445
-	Air strip	-	5,710	-	-	5,710
5,377	Councils general expenses	69,000	2,033,684	-	-	2,033,684
-	Health	24,000	422,473	-	-	422,473
1,613,416	Public works	3,685,550	17,789,874	5,694,005	-	23,483,879
-	Swimming pools	-	101,560	-	-	101,560
722	Municipal manager	-	447,382	-	-	447,382
469,226	LED Marketing	16,310,000	1,387,135	75,178	-	1,462,314
-	Administration	-	12,549	-	-	12,549
18,877	Finance	-	657,856	25,588	-	683,444
-	General expenses	-	-	-	-	-
-	Traffic	336,092	173,700	750	-	174,450
58,411	Subsidised services	3,286,000	8,995,155	2,118,368	195,380	10,918,143
-	Cemetery	-	24,167	997,304	-	1,021,471
-	Municipal buildings	2,990,000	4,975,207	147,739	143,627	4,979,319
-	Fire	-	495,563	-	-	495,563
-	Land	-	299,908	-	51,753	248,155
32,141	Library	20,000	398,435	102,509	-	500,944
26,270	Parks and recreation	276,000	2,801,875	870,816	-	3,672,691
2,306,851	Economic services	6,805,230	35,713,952	11,030	-	35,724,982
-	Refuse	962,420	847,576	-	-	847,576
-	Licencing	-	108,158	-	-	108,158
2,306,851	Sewerage	5,842,810	34,758,218	11,030	-	34,769,248
-	<b>Housing services</b>	-	-	-	-	-
-	Sub Economic Housing	-	-	-	-	-
85,095	<b>Trading services</b>	9,464,648	25,127,791	4,751,511	-	29,879,303
85,095	Water	9,464,648	25,127,791	4,751,511	-	29,879,303
85,095	Electricity	4,501,000	18,062,160	3,558,521	-	21,620,681
-		4,963,648	7,065,632	1,192,990	-	8,258,622
<b>4,557,975</b>	<b>TOTAL FIXED ASSETS</b>	<b>39,980,520</b>	<b>92,868,822</b>	<b>12,676,431</b>	<b>195,380</b>	<b>105,349,873</b>
	<b>Less: Loans redeemed and other capital receipts</b>		89,779,738	13,201,730	195,380	102,786,088
			89,779,738	13,201,730	195,380	102,786,088
	Loans redeemed and advances repaid		2,727,076	525,299	195,380	3,056,995
	Contributions from operating income		2,205,556	1,250	-	2,206,806
	Grants and subsidies		84,847,106	12,675,181	-	97,522,287
	<b>NET FIXED ASSETS</b>		<b>3,089,084</b>	<b>525,299</b>	<b>-</b>	<b>2,563,785</b>

**MAQUASSI HILLS LOCAL MUNICIPALITY**

**APPENDIX D  
ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2005**

<b>Actual 2004 R</b>		<b>Actual 2005 R</b>	<b>Budgeted 2005 R</b>
<b>Income</b>			
11,797,901	Grants and subsidies	13,748,511	13,940,000
43,172,648	Operating income	47,532,781	49,050,451
6,375,861	Assessment rates	7,722,675	7,875,600
11,883,518	Sale of electricity	12,311,811	11,136,357
9,947,903	Sale of water	11,455,649	11,933,897
14,965,367	Other income	16,042,647	18,104,597
<u>54,970,549</u>	<b>Total income</b>	<u>61,281,292</u>	<u>62,990,451</u>
<b>Expenditure</b>			
20,882,173	Salaries, wages and allowances	23,696,105	23,250,324
23,289,077	General expenses	28,830,526	32,298,121
6,983,337	- Electricity	5,478,369	6,300,000
7,931,077	- Water	10,301,042	7,037,900
8,374,662	- Other general expenses	13,051,115	18,960,221
1,087,755	Repairs and maintenance	840,910	2,989,900
	Depreciation	-	558,060
657,075	Capital charges	810,469	995,050
50,597	Contributions to fixed assets	1,250	340,980
6,715,200	Contributions	5,454,228	5,454,228
<u>52,681,877</u>	<b>Gross expenditure</b>	<u>59,633,488</u>	<u>65,886,663</u>
(2,451,500)	Less: Amounts charged out	(3,036,651)	(3,036,651)
<u>50,230,377</u>	<b>Net expenditure</b>	<u>56,596,837</u>	<u>62,850,012</u>



## MAQUASSI HILLS LOCAL MUNICIPALITY

## APPENDIX E

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNIE 2005

Actual Income 2004 R	Actual expenditure 2004 R	Surplus/ (Deficit) 2004 R		Actual Income 2005 R	Actual expenditure 2005 R	Surplus/ (Deficit) 2005 R	Budget Surplus/Deficit 2005 R
32,947,357	26,648,763	6,298,594	<b>Rates and general services</b>	33,977,546	31,916,996	2,060,550	(4,414,425)
21,776,836	16,035,258	5,741,578	Community Services	16,199,123	20,364,845	-4,165,722	-8,978,410
11,467,233	3,845,784	7,621,449	Council general expenses	2,185,462	8,051,820	(5,866,358)	(11,193,070)
6,375,861	-	6,375,861	Assessment rates	7,722,675	7,722,675	7,722,675	-
-	-	-	Redundant items sale	-	-	-	-
440,025	1,692,705	(1,252,681)	Health	1,108,885	1,819,300	(710,415)	(613,995)
-	-	-	Stores	-	-	-	-
204,957	273,166	(68,208)	LED Marekting & fixed property	542,272	344,704	197,569	(45,300)
-	214,051	(214,051)	IDP & PMS	-	145,065	(145,065)	(171,400)
30,034	3,668,239	(3,638,205)	Public works, swimming pool	29,046	3,483,410	(3,454,364)	(3,708,487)
-	1,279,619	(1,279,619)	Municipal manager	-	1,424,883	(1,424,883)	(1,468,170)
929	1,707,181	(1,706,252)	Administration	3,413	2,665,291	(2,661,878)	(2,314,754)
1,882,096	2,255,929	(373,833)	Finance	2,621,841	684,884	1,936,957	11,005,771
1,375,701	1,098,583	277,118	Traffic / Licencing	1,985,529	1,745,489	240,041	(469,005)
294,508	2,181,912	(1,887,403)	Subsidised Services	188,806	2,566,111	(2,377,305)	(2,866,585)
71,113	1,149	69,964	Municipal buildings	-	-	-	-
14,453	804,196	(789,743)	Library, Housing	25,401	1,074,101	(1,048,700)	(1,258,175)
208,942	1,376,566	(1,167,624)	Parks, cemeteries and recreation	163,405	1,492,010	(1,328,605)	(1,608,410)
10,876,013	8,431,593	2,444,420	Economic Services	17,589,617	8,986,040	8,603,577	7,430,570
3,760,753	3,076,112	684,641	Refuse removal	6,232,889	3,347,107	2,885,782	2,541,088
7,115,259	5,355,481	1,759,779	Sewerage	11,356,728	5,638,933	5,717,795	4,889,482
2,486	-	2,486	<b>Housing services</b>	2,347	-	2,347	-
2,486	-	2,486	Sub Economical housing	2,347	-	2,347	-
22,020,706	23,581,614	(1,560,908)	<b>Trading Services</b>	27,301,398	24,679,841	2,621,557	4,554,864
12,001,086	11,326,328	674,758	Electricity	13,272,243	10,953,067	2,319,176	(556,302)
10,019,621	12,255,286	(2,235,666)	Water	14,029,155	13,726,774	302,381	5,111,166
54,970,549	50,230,377	4,740,172	<b>Total</b>	61,281,292	56,596,837	4,684,454	140,439
		(1,007,588)	Appropriations for the year (Refer to note 17)			1,411,994	
		3,732,584	Net surplus for the year			6,096,449	
		3,309,208	Accumulated surplus/(deficit) at the beginning of the year			7,041,792	
		7,041,791.62	Accumulated surplus at the end of the year			13,138,240	

# MAQUASSI HILLS LOCAL MUNICIPALITY

## APPENDIX F

### STATISTICAL INFORMATION FOR THE YEAR ENDED 20005

	2004/2005	2003/2004
<b>General statistics</b>		
Population	69,043	62,500
Valuation: taxable property *	R20 245 126	R 20,028,000
: non taxable property *	R2 090 180	R 1,721,000
Number of properties: resedential and commercial	15,243	12,205
Property tax rate **	Various	Various
Number of employees	277	260
<b>Electricity statistics</b>		
Number of consumers	2,589	2,279
Number of units purchased (kwh)	36,310,671	35,142,818
Number of units sold (kwh)	26,743,883	30,864,942
Number of units lost in distribution (kwh)	9,566,788	3,982,582
Number of units lost in distribution as a %	26.35	12.00
Cost per unit sold	R 0.18	R 0.18
Income per unit sold	R 0.45	R 0.38
<b>Water statistics</b>		
Number of consumers	9,103	8,904
Number of units purchased / borehole supply (kl)	2,323,809	2,576,460
Number of units sold (kl)	1,478,291	1,597,102
Number of units lost in distribution (kl)	845,518	979,358
Number of units lost in distribution as a %	36.39	38.01
Cost per unit sold	R 5.89	R 3.73
Income per unit sold	R 7.75	R 6.23

\* Last valuation came into effect from 01 July 1996

\*\*Each town making up the Local Municipality has a different rate in the rand and it is expected that a uniform tarrif will be implemented with effect from 1 July 2005.

Wolmaransstad - Site value	0.5259	0.4476
Leeudoringstad - Site value	0.2402	0.2044
Leeudoringstad - Property value	0.0152	0.0129
Makwassie - Site value	0.1954	0.1663
Makwassie - Property value	0.0035	0.003
Makwassie - Community Service	R 8.95	R 7.60
Witpoort - Domestic	0.0358	0.0305
Witpoort - Business	0.0521	0.0443
Witpoort - Community Service	R 11.15	R 9.50